BRITISH COLUMBIA | BCStats

# Infoline

*Contact:* bcstats.infoline@gov.bc.ca *Issue: 12-04* *January 27th, 2012*

- **Retail sales in BC creep 0.3% higher in November**
- **Housing starts off 0.3% in 2011**
- **Senior men outnumber senior women on BC's roads**

## The Economy

- **Sales by retailers in the province inched up 0.3% (*seasonally adjusted*) in November, marking a fourth straight monthly climb.** Canadian sales were also 0.3% higher, with gains reported in 7 of 11 subsectors. Sales increased in the four westernmost provinces, while Quebec (+0.7%) was the only province to exhibit strength on the other side of the country. Nova Scotia (-1.0%) posted the most significant decline in November, while Saskatchewan experienced the largest boost (+1.3%).*Data Source: Statistics Canada*

- **Average weekly earnings for non-farm payroll employees in the province were $850 (seasonally *adjusted*) in November.** This was 0.5% higher than in the previous month, but still slightly below the national average of $884 per week. Payroll employees in Northwest Territories ($1,257) continued to boast the highest weekly earnings in the country. Alberta ($1,053), Saskatchewan ($904), Ontario ($899) and Newfoundland & Labrador ($899) were the only provinces where weekly earnings were above the Canadian average. Despite having the most substantial increase among the provinces in November (+1.9% to $741), PEI continues to have the lowest average earnings in Canada.

  In BC, the goods producing industries pay notably more (average of $1072 per week) than those in the service sector ($804). November's strongest growth was found in retail trade (+2.4%) and real estate (+2.4%).

  *Data Source: Statistics Canada*

- **Sawmills and planing mills in the province produced 7.4% more lumber in November than in the same month in 2010.** Mills in the Interior ramped up their output by 7.5% and production at coastal mills was also higher (+6.9%). Canadian lumber production slipped 1.1%, due to significant downturns in the other lumber-producing provinces.

  *Data Source: Statistics Canada*

## 2011 in Review

- **Despite some substantial declines late in the year, housing starts in the province were relatively unchanged in 2011.** The number of starts was down just 0.3%, after a record-breaking surge (+64.7%) in 2010 that occurred as the housing sector recovered from a weak 2009. Housing start levels in 2011 were very similar to those recorded in 2003.

  Canadian starts climbed 2.1% between 2010 and 2011, with double-digit boosts in PEI, Ontario and Saskatchewan acting to offset weakness in most other provinces.

  *Data Source: Statistics Canada*

## Employment

- **BC businesses had, on average, 25,600 job vacancies in the three month period ending in September of 2011.** For all sectors combined, the ratio of unemployment to job vacancies was 4.4. In other words, there were 4.4 unemployed people in the province for every job vacancy.

  There were approximately 248,000 job vacancies nation-wide over this period. With nearly 812,000 unemployed, this made for an unemployment-to-job vacancies ratio of 3.3. Across

**Report** **Mind the Gap: Income Inequality Growing**

**Did you know...**

In Canada, British Columbians (28%) are the most likely to have a tattoo, followed by Quebecers (25%) and Albertans (23%). *Source: Ipsos Canada*

the country, ratios were highest in Atlantic Canada and lowest in the Prairie provinces.

Among sectors in Canada, forestry, logging & support had the highest ratio of unemployment to vacancies in September, with 37.4 unemployed people per job vacancy. Educational services was next, with a ratio of 10.0, followed by construction (5.1). By contrast, mining, oil & gas extraction (1.1) had the lowest ratio, followed by wholesale trade (1.4) and health care & social assistance (1.4). *Data Source: Statistics Canada*

## Transportation

- **In 2010, the major Canadian air carriers (Air Canada, Jazz, Air Canada's Canadian regional *code*-share partners, Air Transat and WestJet) reported a 7.0% increase in passenger volume compared to 2009.** Growth in the number of passengers travelling internationally led the increase in scheduled travel, jumping 13.4% during the 12-month period. Meanwhile, the domestic sector posted a more moderate rise of 2.6%.

  The average one-way air fare (all types) paid by passengers was $243.50 in 2010, 5.3% higher than in 2009. Average domestic air fare ($182.50) was significantly lower than international rates ($331.80).

  Between 2009 and 2010, the average domestic air fare paid by passengers in Vancouver jumped 9.1%. Toronto, Vancouver, Ottawa and Montréal were the only cities that had average domestic air fares above the national average, while the lowest average domestic rates were in Edmonton.

  *Data Source: Statistics Canada*

- **In the peak winter travel month of December, Vancouver International Airport (YVR) was the second-busiest airport in the country, after Toronto's Pearson Airport.** Precisely 23,071 aircraft took off or landed in Vancouver in December 2011, compared to 34,526 in Toronto. The third-busiest airport was Calgary International, with 19,223 aircraft arrivals and departures. The 42 largest Canadian airports (with NAV CANADA air traffic control towers) reported 296,653 aircraft take-offs and landings in December, up notably (+7.5%) from the same month of 2010. YVR's busiest day in December was recorded on the 22nd, when close to 900 aircraft took off or landed at the airport.

  *Data Source: Statistics Canada*

- **As fuel prices continue to fluctuate, Canadians are taking more trips on urban transit systems.** In November, combined ridership on the country's ten largest urban transit systems (accounting for 80% of total urban transit in Canada) was higher (+3.3%) than in the same month of 2010. Approximately 140 million passenger trips were taken on these systems, generating $255 million in revenue, a notable increase (+3.9%) over November of 2010. *Data Source: Statistics Canada*

- **A total of 476,600 British Columbians aged 65 and over, or three-quarters (77%) of all seniors, had a driver's licence in 2009.** There was a substantial gap between men and women, with nearly all men (90%) aged 65 and older holding a valid driver's license, compared to just two-thirds (67%) of women.

  The proportion of seniors with driver's licences varies substantially among the provinces. Saskatchewan (84%) and Alberta (83%) had the highest proportions of senior drivers in 2009, while the lowest percentages were reported in Newfoundland & Labrador (69%) and Quebec (71%).

## The Nation

- **The nation's composite leading index rose 0.8% in December, marking the sixth consecutive month of growth.** Eight of the ten components advanced, with much of the strength attributable to vigour in the housing price index and the manufacturing sector. The US leading index also ended the year on a high note (+0.5%), which could mean an imminent strengthening of US demand for Canadian manufactured goods.

  *Data Source: Statistics Canada*

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***January 27th, 2012***

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

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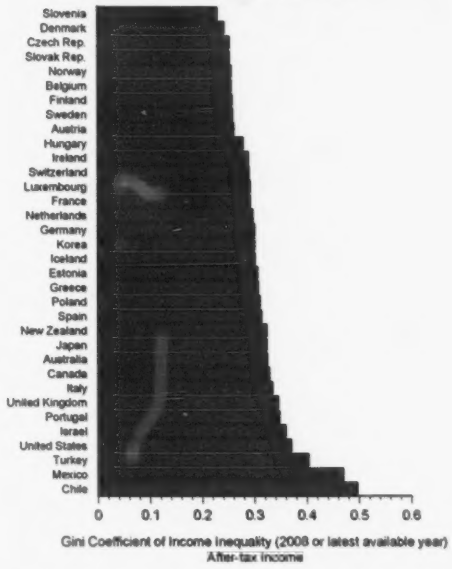
# Mind the Gap: Income Inequality Growing

The growing inequality in the distribution of wealth has struck a chord worldwide giving rise to the Occupy movement that began in New York in September 2011 and quickly spread around North America and other areas of the world. While concern over the gulf between the rich and the poor has likely been an issue since the time that currency was first exchanged for goods and services, the recent global economic downturn was probably the catalyst of the current protests. Many feel that those responsible for the financial crisis that precipitated the economic instability came away relatively unscathed, while many others paid the price through loss of employment, devaluing of pension funds and so forth. The resulting anger and resentment has put a spotlight on the growth in income inequality.

The Organization for Economic Cooperation and Development (OECD) released a study in December 2011 that confirmed that the gap between the rich and poor is indeed growing.[1] This was true in most of the member countries of the OECD and Canada was no exception. In fact, the OECD found that Canada had greater income inequality than most OECD nations. Canada ranked 26th out of 34 countries as measured by the Gini coefficient of income inequality.[2] In addition, the report found that the income gap has been growing over time.

Canada has more income inequality than most OECD nations




Source: OECD

Based on data from 2008, the average income of the top 10% of Canadians was ten times higher than the bottom 10%, which is a significant increase from the early 1990s, when the ratio was eight to one. The OECD report attributed the growth in inequality to a combination of factors, including increasing disparity in the wages for high and low-paid workers, an increase in the number of self-employed (since they tend to earn less than employees), as well as a drop in the redistribution of income through taxes and benefits.

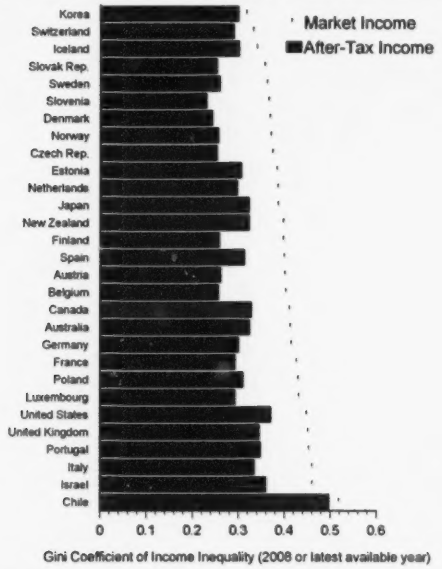
While tax cuts have benefitted people of all income levels to some extent, they have had less of a positive effect on the lowest income earners. This is because these lower-income individuals pay very few income taxes to begin with and are more reliant on the benefits and services that are paid for with tax revenue. According to the OECD report, prior to

[1] OECD, Divided We Stand: Why Inequality Keeps Rising (Dec. 2011).

[2] The Gini coefficient is a measure of inequality. As a measurement of income inequality, it ranges from a value of 0, where all people have equal income, to 1, where one person has all the income. Therefore, higher values indicate greater inequality.

the mid-1990s, the Canadian tax-benefit system offset more than 70% of the rise in market income inequality, but this figure has fallen to 40%.[3] The report suggests that the main factor in the reduction in redistribution is declining benefit rates and less coverage for those programs (such as Employment Insurance and Income Assistance).

Canada's re-distribution programs are less effective than that of many other OECD nations

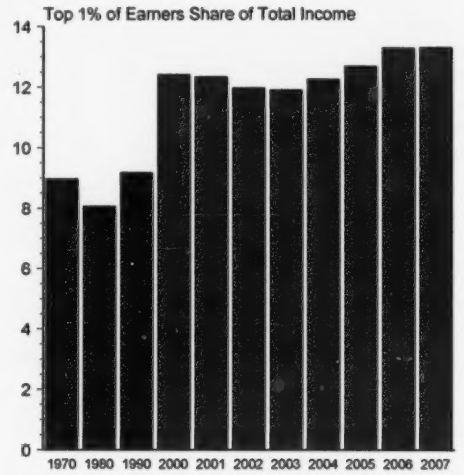



Source: OECD

Among the OECD countries, Canada's re-distribution programs ranked 22nd out of the 29 countries for which data were available in terms of their effectiveness in reducing income inequality.

The Occupy movement targeted the top one percent of income earners in their protests and the OECD study includes an examination of that thin slice of earners. According to the OECD, the richest one percent of Canadians earned 13.3% of total income in the country in 2007, well up from the 8.1% share they received in 1980.

Canada's top 1% of income earners have been getting a larger slice of the pie in recent years compared to earlier decades

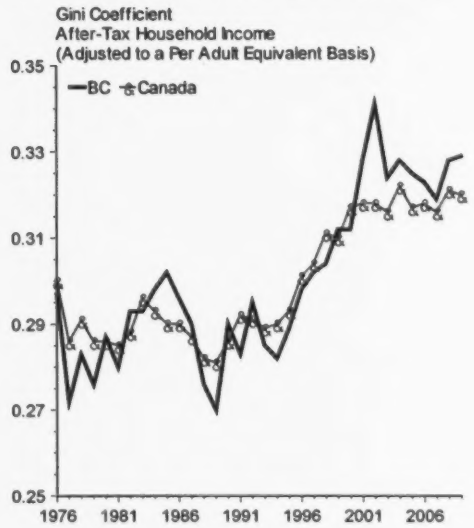



Source: OECD

The OECD figures are reflected in Statistics Canada data as well. According to Statistics Canada, there has been significant growth in income inequality in both BC and Canada as a whole over the last 15 years. Through the 1980s and 1990s the Gini coefficient of income inequality for British Columbia averaged 0.29, but from 2000 to 2009, it averaged 0.33.

[3] Market income is comprised of earnings, investment income, retirement pensions and other income excluding government transfers.

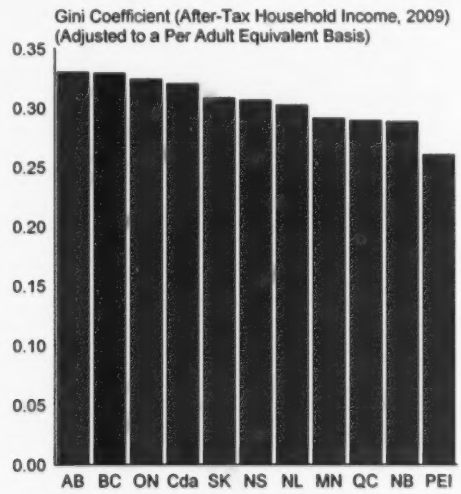
Income distribution in both BC and Canada as a whole has become more inequitable over time




Source: Statistics Canada

Among the provinces, only Alberta registered more after-tax income inequality than BC in 2009. The only other province above the Canadian average was Ontario. Prince Edward Island had the smallest income gap among the provinces.

British Columbia was second only to Alberta in terms of income inequality among the provinces

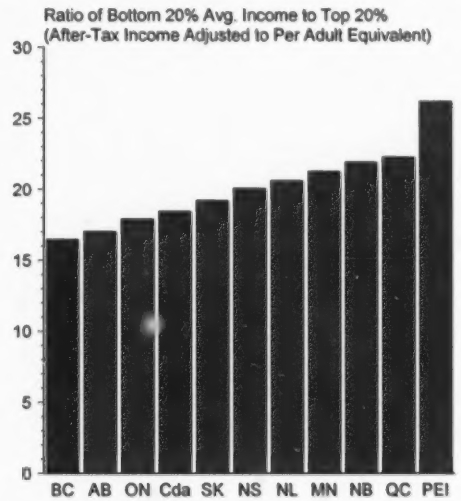



Source: Statistics Canada

However, British Columbia ranked fifth and Alberta seventh in terms of inequality when market income is used (i.e., excluding government transfers and before taxes). Newfoundland and Labrador had the most income inequality, followed by Nova Scotia, Ontario and Quebec. This indicates that these provinces have had more success in terms of redistributing income through their tax and benefit systems than have British Columbia and Alberta.

The disparity in incomes is readily apparent when one compares the top 20% of income earners with the bottom 20%. In British Columbia, in 2009, the lowest 20% earned just 7.7% of what the top 20% earned before transfers and taxes. After transfers and taxes, that figure improved to 16.5%. However, that is well down from the levels of around 22% seen in the early 1990s.

British Columbia had the largest income gap among the provinces in 2009 when comparing the lowest 20% of earners to the highest 20%



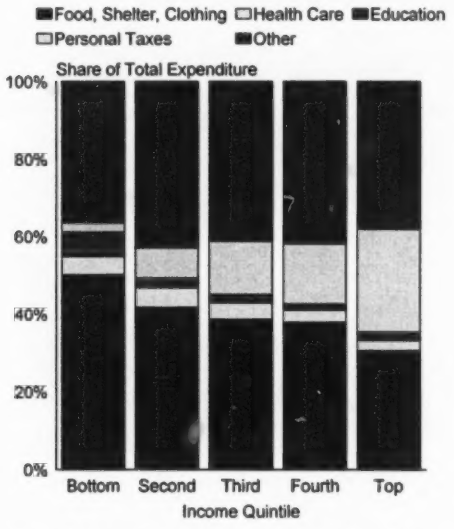

Source: Statistics Canada

Compared to other provinces, BC ranked dead last in 2009, with the largest gap between the top 20% and the bottom 20% of income earners. The Canadian average was

18.4%, almost two full percentage points above BC, but Alberta (17.0%) and Ontario (17.9%) were the only other provinces with a gap larger than the Canadian average. Prince Edward Island fared the best with the lowest 20% of earners in that province making 26.2% of what the top 20% of earners made (after transfers and taxes).

Data from Statistics Canada's 2009 Survey of Household Spending paint an interesting picture of the differences in expenditure patterns between those with lower incomes and those with higher incomes. For the bottom 20% of earners, food, shelter and clothing comprise half of all expenditures, compared to only 30% of spending for the top 20% of income earners. Health care and education costs represent another 10% of spending for the bottom 20% of earners and just under half that for the top 20%.

Food, shelter and clothing account for over half of expenditures for the lowest income British Columbians




Source: Statistics Canada Survey of Household Spending

Interestingly enough, once taxes are removed, the remaining share of income left for all other expenditures (personal care items, transportation, recreation, furniture, etc.) is just slightly lower for the bottom 20%. However, in dollar terms, that translates to less than $10,000 for the bottom 20% versus almost $60,000 for the top 20% (on average).

Given the level of discord over income inequality based on the number and size of protests in recent months, this issue is not likely to fade away any time soon. The OECD study offered some policy recommendations on how to tackle the problem. The top recommendation is to create more well-paying jobs that will give people a chance to escape poverty. In addition, the study suggests that education and training are key areas for investment. Finally, it suggests that tax and benefit policies should be reformed to increase redistribution and public services such as education, health and family care should be freely accessible.

In a free market society like Canada there will always be some that are better off than others, but the challenge is figuring out how large a gap between the highest and lowest earners should be considered acceptable. Given the size and vehemence of the Occupy protests, one would suspect that the current income gap is too large.

## *Statistics Canada's Workshop Series*

***Visit www.statcan.gc.ca for future workshops!***

# Understanding and Interpreting Data

This is a practical statistical course that covers the basic aspects of survey data analysis. This course will appeal to novice analysts and those who are required to interpret statistical findings. It provides an overview of basic types of research as well as analytical requirements. This is followed by a short treatment of survey sampling and types of data.

Some of the analytical techniques that will be covered include cross tabulations, chi-square and some aspects of linear regression. The workshop includes a hands on data analysis exercise and a discussion on the principles for presenting results.

**VICTORIA**

**FEBRUARY 21 & 22, 2012**
**TUESDAY & WEDNESDAY**
**8:30 AM - 4:30 PM**
**Health Canada Boardroom**
**510 - 1230 Government St.**
**Victoria, BC**

## WORKSHOP TOPICS INCLUDE:

- Analytical requirements and sources of data
- Survey design and sampling methods
- Types of Data
- Confidence intervals
- Grouping and graphic data
- Analytical techniques
- Interpreting and presenting analytical results

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Fee is $550 + HST

*Early registration: $499 + HST*

*(Early bird registration at least 3 weeks prior)*

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# Understanding Demographic Data

Join us for a one day workshop on demographic data. This workshop will enhance your ability to understand and interpret demographic data, methods and techniques. This workshop is ideal for market researchers, policy analysts, business professionals, planners and other social scientists who use or commission demographic data.

As a result of your participation, you will be able to more effectively and accurately analyze demographic data. In addition, the workshops will increase your awareness of the availability of population data and current research techniques being used.

**VICTORIA**

**FEBRUARY 23, 2012**
**THURSDAY**
**8:30 AM - 4:30 PM**
**Health Canada Boardroom**
**510 - 1230 Government St.**
**Victoria, BC**

## THE WORKSHOP WILL INCLUDE DISCUSSIONS ON:

- Population growth - births, deaths and migration
- Population pyramids - rates and ratios
- Population estimates
- Population projections

**Register Early as Space is Limited**

Fee is $300 + HST

*Early registration: $275 + HST*

*(Early bird registration at least 3 weeks prior)*

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January 27, 2012
Issue 12-04

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

## *BC at a glance . . .*

| POPULATION (thousands) | Oct 1/2011 | % change on one year ago |
|---|---|---|
| BC | 4,592.0 | 0.9 |
| Canada | 34,605.3 | 1.0 |
| **GDP and INCOME (Released Nov 8)** | | |
| *(BC - at market prices)* | 2010 | % change on one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 203,147 | 5.9 |
| GDP *($ 2002 millions)* | 167,140 | 3.0 |
| GDP *($ 2002 per Capita) (reflects revised pop)* | 36,899 | 1.4 |
| Personal Disposable Income *($ 2002 per Capita)* | 26,166 | 2.2 |
| **TRADE ($ millions, seasonally adjusted)** | | % change on prev. month |
| Manufacturing Shipments - Nov 2011 | 3,206 | 0.9 |
| Merchandise Exports - Nov 2011 | 2,895 | 7.2 |
| Retail Sales - Nov 2011 | 5,103 | 0.3 |
| **CONSUMER PRICE INDEX** | % change on | 12-month avg |
| *(all items - Dec 2011)* | one year ago | % change |
| BC | 1.7 | 2.3 |
| Vancouver | 1.9 | 2.3 |
| Victoria | 1.5 | 2.2 |
| Canada | 2.3 | 2.9 |
| **LABOUR FORCE (thousands)** | | % change on |
| *(seasonally adjusted)* | Dec 2011 | prev. month |
| Jobs Created (-Lost) - BC | 10.6 | |
| Labour Force - BC | 2,465.5 | 0.3 |
| Employed - BC | 2,293.9 | 0.5 |
| Unemployed - BC | 171.6 | -1.7 |
| | | Nov 2011 |
| Unemployment Rate - BC *(percent)* | 7.0 | 7.1 |
| Unemployment Rate - Canada *(percent)* | 7.5 | 7.5 |
| **INTEREST RATES (percent)** | Jan 25/2012 | Jan 26/2011 |
| Prime Business Rate | 3.00 | 3.00 |
| Conventional Mortgages - 1 year | 3.50 | 3.35 |
| - 5 year | 5.29 | 5.19 |
| **US-CANADA EXCHANGE RATE** | Jan 25/2012 | Jan 26/2011 |
| *(avg. noon spot rate)* Cdn $ per US $ | 1.0120 | 0.9953 |
| *(closing rate)* US $ per Cdn $ | 0.9965 | 1.0047 |
| **AVERAGE WEEKLY WAGE RATE** | | % change on |
| *(industrial aggregate - dollars)* | Dec 2011 | one year ago |
| BC | 854.88 | 4.6 |
| Canada | 853.57 | 2.9 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

### Sub-Provincial Population Estimates, 2011

2011 estimates of population for municipalities, regional districts and development regions are now available.

http://www.bcstats.gov.bc.ca/data/pop/pop/estspop.asp

### Regional Labour Force Participation Rate Projections

Forecasts of labour force participation rates are a key component of projections of future levels of employment. This report gives detailed projections of labour force participation by Development Region, by age and sex out to 2036.

http://www.bcstats.gov.bc.ca/data/pop/pop/RegionalLFPR2011.pdf

### Open Data

Statistics Canada is implementing a new dissemination model. On February 1, 2012, the CANSIM database will be free to access and standard Census products will be free. In addition, Statistics Canada will no longer charge fees for the right to redistribute its information. Organizations will be encouraged to redistribute information under terms and conditions similar to the Government of Canada Open Data Licence Agreement for Unrestricted Use of Canada's Data. The objective of the new dissemination model is to provide users with maximum benefit from statistical information about Canada's economy and society.

### Released this week by BC Stats

- Business Indicators, January 2012

### Next week

- Labour Force Statistics, January 2012
- Earnings & Employment Trends, January 2012

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